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AN ACT

RELATING TO PROPERTY TAXES; IMPLEMENTING THE INCREASED TAX EXEMPTION FOR VETERANS REQUIRED BY ARTICLE 8, SECTION 5 OF THE CONSTITUTION OF NEW MEXICO; IMPLEMENTING THE EXPANSION OF THE DISABLED VETERAN EXEMPTION REQUIRED BY ARTICLE 8, SECTION 15 OF THE CONSTITUTION OF NEW MEXICO; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-37-5 NMSA 1978 (being Laws 1973, Chapter 258, Section 38, as amended) is amended to read:

"7-37-5. VETERAN EXEMPTION. --

A. Up to four thousand dollars (\$4,000) of the taxable value of property, including the community or joint property of husband and wife, subject to the tax is exempt from the imposition of the tax if the property is owned by a veteran or the veteran's unmarried surviving spouse if the veteran or surviving spouse is a New Mexico resident or if the property is held in a grantor trust established under Sections 671 through 677 of the Internal Revenue Code of 1986, as those sections may be amended or renumbered, by a veteran or the veteran's unmarried surviving spouse if the veteran or surviving spouse is a New Mexico resident. The exemption shall be deducted from taxable value of to determine net taxable value of property. The exemption

1 allowed shall be in the following amounts for the specified
2 tax years:

3 (1) for tax years prior to 2003, the
4 exemption shall be two thousand dollars (\$2,000);

5 (2) for tax year 2003, the exemption shall
6 be two thousand five hundred dollars (\$2,500);

7 (3) for tax year 2004, the exemption shall
8 be three thousand dollars (\$3,000);

9 (4) for tax year 2005, the exemption shall
10 be three thousand five hundred dollars (\$3,500); and

11 (5) for tax year 2006 and each subsequent
12 tax year, the exemption shall be four thousand dollars
13 (\$4,000).

14 B. The veteran exemption shall be applied only
15 if claimed and allowed in accordance with Section 7-38-17
16 NMSA 1978 and regulations of the department.

17 C. As used in this section, "veteran" means an
18 individual who:

19 (1) has been honorably discharged from
20 membership in the armed forces of the United States;

21 (2) served in the armed forces of the
22 United States on active duty continuously for ninety days,
23 any part of which occurred during a period specified in
24 Paragraph (3) of this subsection; and

25 (3) served in the armed forces of the

1 United States during one or more of the following periods of
2 armed conflict under orders of the president:

3 (a) any armed conflict prior to
4 World War I;

5 (b) World War I, which, for the
6 purposes of this section, is defined as the period
7 April 6, 1917 through April 1, 1920;

8 (c) World War II, which, for the
9 purposes of this section, is defined as the period December
10 7, 1941 through December 31, 1946;

11 (d) the Korean conflict, which, for
12 the purposes of this section, is defined as the period
13 June 27, 1950 through January 31, 1955;

14 (e) the Vietnam conflict, which, for
15 the purposes of this section, is defined as the period
16 August 5, 1964 through May 7, 1975;

17 (f) the Grenada conflict, which, for
18 the purposes of this section, is defined as the period
19 October 13 through December 31, 1983; or

20 (g) the Persian gulf conflict, which,
21 for the purposes of this section, is defined as the period
22 August 2, 1990 through the date upon which the president of
23 the United States or a competent military authority declares
24 the conflict to be ended, but in no case earlier than
25 July 1, 1992.

1 D. For the purposes of Subsection C of this
2 section, a person who would otherwise be entitled to status
3 as a veteran except for failure to have served in the armed
4 forces continuously for ninety days is considered to have
5 met that qualification if he served during the applicable
6 period for less than ninety days and the reason for not
7 having served for ninety days was a discharge brought about
8 by service-connected disablement.

9 E. For the purposes of Paragraph (1) of
10 Subsection C of this section, a person has been "honorably
11 discharged" unless he received either a dishonorable
12 discharge or a discharge for misconduct.

13 F. For the purposes of this section, a person
14 whose civilian service has been recognized as service in the
15 armed forces of the United States under federal law and who
16 has been issued a discharge certificate by a branch of the
17 armed forces of the United States shall be considered to
18 have served in the armed forces of the United States. "

19 Section 2. Section 7-37-5.1 NMSA 1978 (being Laws
20 2000, Chapter 92, Section 1 and Laws 2000, Chapter 94,
21 Section 1) is amended to read:

22 "7-37-5.1. DISABLED VETERAN EXEMPTION. --

23 A. As used in this section:

24 (1) "disabled veteran" means an individual

25 who:

1 (a) has been honorably discharged from
2 membership in the armed forces of the United States or has
3 received a discharge certificate from a branch of the armed
4 forces of the United States for civilian service recognized
5 pursuant to federal law as service in the armed forces of
6 the United States; and

7 (b) has been determined pursuant to
8 federal law to have a one hundred percent permanent and
9 total service-connected disability; and

10 (2) "honorably discharged" means discharged
11 from the armed forces pursuant to a discharge other than a
12 dishonorable or bad conduct discharge.

13 B. The property of a disabled veteran, including
14 joint or community property of the veteran and the veteran's
15 spouse, is exempt from property taxation if it is occupied
16 by the disabled veteran as his principal place of residence.
17 Property held in a grantor trust established under
18 Sections 671 through 677 of the Internal Revenue Code of
19 1986, as those sections may be amended or renumbered, by a
20 disabled veteran or the veteran's surviving spouse is also
21 exempt from property taxation if the property otherwise
22 meets the requirements for exemption in this subsection or
23 Subsection C of this section.

24 C. The property of the surviving spouse of a
25 disabled veteran is exempt from property taxation if:

1 (1) the surviving spouse and the disabled
2 veteran were married at the time of the disabled veteran's
3 death;

4 (2) the property was exempt prior to the
5 disabled veteran's death pursuant to Subsection B of this
6 section; and

7 (3) the surviving spouse continues to
8 occupy the property continuously after the disabled
9 veteran's death as the spouse's principal place of
10 residence.

11 D. The exemption provided by this section may be
12 referred to as the "disabled veteran exemption".

13 E. The disabled veteran exemption shall be
14 applied only if claimed and allowed in accordance with
15 Section 7-38-17 NMSA 1978 and the rules of the department.

16 F. The New Mexico veterans' service commission
17 shall assist the department and the county assessors in
18 determining which veterans qualify for the disabled veteran
19 exemption. "

20 Section 3. APPLICABILITY. -- The provisions of Section 2
21 of this act are applicable to property tax year 2003 and
22 subsequent property tax years.

23 Section 4. EMERGENCY. -- It is necessary for the public
24 peace, health and safety that this act take effect
25 immediately. _____

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